

AMENDED IN SENATE MARCH 24, 2014

SENATE BILL

No. 1204

Introduced by Senators Lara and Pavley

February 20, 2014

An act to add Section 39719 to the Health and Safety Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 1204, as amended, Lara. California Clean Truck~~and~~, Bus, *and Off-Road Vehicle and Equipment Technology* Program.

Existing law requires all moneys, except for fines and penalties, collected by the State Air Resources Board from the auction or sale of allowances as part of a market-based compliance mechanism relative to reduction of greenhouse gas emissions, commonly known as cap and trade revenues, to be deposited in the Greenhouse Gas Reduction Fund, and to be used, upon appropriation by the Legislature, for specified purposes.

This bill would create the California Clean Truck~~and~~, Bus, *and Off-Road Vehicle and Equipment Technology* Program, to be funded from cap and trade revenues, to fund zero- and near-zero emission truck ~~and zero-emission~~, bus, *and off-road vehicle and equipment* technology and related projects, as specified, with preference to be given to projects in disadvantaged communities. The program would be administered by the state board, *in conjunction with the State Energy Resources Conservation and Development Commission*.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 39719 is added to the Health and Safety
2 Code, to read:

3 39719. (a) The California Clean Truck ~~and, Bus, and Off-Road~~
4 *Vehicle and Equipment Technology* Program is hereby created, to
5 be administered by the state board *in conjunction with the State*
6 *Energy Resources Conservation and Development Commission.*
7 *The program, from moneys appropriated from the fund for*
8 *purposes of the program, shall fund development, demonstration,*
9 *pilot deployment, and commercial deployment of zero- and*
10 *near-zero emission truck, bus, and off-road vehicle and equipment*
11 *technologies. Priority shall be given to projects located in*
12 *disadvantaged communities pursuant to the requirements of*
13 *Sections 39711 and 39713.*

14 (b) ~~From funds appropriated from the fund for that purpose, the~~
15 ~~state board shall establish a focused medium- and heavy-duty truck~~
16 ~~deployment program, with an emphasis on technology development~~
17 ~~and demonstration for zero- and near-zero emissions goods~~
18 ~~movement. Eligible projects under this subdivision shall include,~~
19 ~~but not be limited to, targeted early stage technological~~
20 ~~development funding, small scale pilot demonstrations of new~~
21 ~~technologies, and larger, commercial scale demonstrations of trucks~~
22 ~~operating in real world conditions. Funding made available under~~
23 ~~this subdivision shall complement existing efforts in this area at~~
24 ~~the State Energy Conservation and Development Commission and~~
25 ~~the state board. Preference shall be given to disadvantaged~~
26 ~~communities pursuant to the requirements of Sections 39711 and~~
27 ~~39713.~~

28 (c) ~~From funds appropriated from the fund for that purpose, the~~
29 ~~state board shall establish an emerging technology demonstration~~
30 ~~program for zero-emission buses to be used in public transportation.~~
31 ~~Eligible projects to be funded under the program include projects~~
32 ~~recommended by public transit agencies to demonstrate and deploy,~~
33 ~~as part of their fleets, advanced fueled vehicles and associated~~
34 ~~infrastructure. The objective of the program shall be to demonstrate~~
35 ~~zero-emission bus technology at a commercial scale, in order to~~
36 ~~clear the path for broader deployment of zero-emission bus~~
37 ~~technology throughout the state. Preference shall be given to~~

1 ~~disadvantaged communities pursuant to the requirements of~~
2 ~~Sections 39711 and 39713.~~

3 (b) *The program shall fund projects in each of the following*
4 *areas:*

5 (1) *Zero- and near-zero emission medium- and heavy-duty truck*
6 *technology development, demonstration, and pilot deployment.*

7 (2) *Zero- and near-zero emission buses. The program shall fund*
8 *pilot deployments to demonstrate operation of large numbers of*
9 *clean buses in a real world setting, to showcase the following*
10 *issues: (A) these vehicles can make direct impacts in disadvantaged*
11 *communities, (B) transit operators are currently unable to*
12 *economically purchase vehicles of this type because of high costs*
13 *and technological uncertainty, which may be overcome through*
14 *large pilot deployments, and (C) zero- and near-zero emission*
15 *technologies in the bus context, once successfully demonstrated*
16 *on a large scale, may find applications in a wide variety of other*
17 *heavy-duty vehicles in addition to buses. In that connection, the*
18 *state board, in consultation with transit operators, shall develop*
19 *solicitations to fund at least two large scale zero- or near-zero*
20 *emission bus pilot deployment projects of between 10 and 40 buses,*
21 *to be located in or near disadvantaged communities.*

22 (3) *Development, demonstration, and pilot deployment of zero-*
23 *and near-zero emission technologies to be used in off-road vehicles*
24 *and equipment, including, but not limited to, port equipment,*
25 *agricultural equipment, and marine and rail equipment.*

26 (4) *Development of commercially available zero- and near-zero*
27 *emission trucks, buses, and off-road vehicles and equipment using*
28 *streamlined purchase incentives pursuant to the California Hybrid*
29 *and Zero-Emission Truck and Bus Voucher Incentive Project*
30 *(HVIP). The state board shall create a multiyear framework and*
31 *plan for HVIP incentives. The plan shall focus on providing*
32 *incentives for zero- and near-zero emission medium- and*
33 *heavy-duty vehicles as they become commercially available. The*
34 *incentives shall be structured to drive acquisition volumes by*
35 *reducing payback times for these vehicles. The plan shall provide*
36 *long-term certainty about incentives while also remaining flexible*
37 *and open to new technologies. The plan shall also examine*
38 *opportunities to link HVIP vehicle funding with infrastructure*
39 *funding to provide coordinated funding for both vehicles and*
40 *related infrastructure. HVIP incentives for plug-in and*

- 1 *zero-emission vehicles in disadvantaged communities shall be*
- 2 *sufficient to increase sales of the cleanest vehicles in communities*
- 3 *where they are needed most.*

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